

**Testimony of Kurt Myers
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**Public Hearing on Enhancing the Safety of Highway Workers, Drivers
and Pedestrians
Pennsylvania House and Senate Transportation Committees
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Mr. Chairman, members of the House and Senate Transportation Committees, and others in attendance, I thank you for the opportunity to testify before you today on House Bill 1154 and Senate Bill 926, which repeal the elimination of the vehicle registration sticker. If enacted, this legislation would have severe consequences on PennDOT and our customers by impeding our mission of modernizing our business operations. By modernizing, we are able to reallocate funds saved and reinvest them into cutting edge technology designed to protect drivers, passengers and pedestrians. In doing so, the Department aims for a more proactive rather than reactive culture. The elimination of the registration sticker is one of several steps we have identified in order to move toward a more paperless, streamlined and mobile-based workforce, which mitigates the risk of fraud while enhancing service.

As we have previously made clear, reverting back to stickers maintains the status quo and thwarts both PennDOT's ability to significantly cut costs through reduced paper, eliminated sticker production and mail savings and its goal of increased customer convenience.

Additionally, registration stickers are ordered approximately two years prior to the date embedded on the sticker. Consequently, with the passage of Act 89's elimination of the registration stickers effective December 2016, PennDOT stopped ordering registration stickers at the beginning of 2015 and does not have an inventory available for January 2017 and beyond. Should House Bill 1154 or Senate Bill 926 pass, it will require PennDOT to begin ordering stickers immediately, which is now an unbudgeted expense.

Since the optional biennial registration was also enacted as part of Act 89, PennDOT will need to maintain two separate inventories of stickers -- one for customers who renew annually, and another for customers who wish to renew for a two-year period. The elimination of the registration sticker was directly related to the optional biennial registration. Reinstating the need for stickers and leaving the requirement for the optional biennial registration compounds the operational issues that had been addressed by eliminating the registration stickers. With over 11 million registered vehicles and a need for maintaining two years of inventory coupled with restoring the registration stickers, this legislation will needlessly cost PennDOT and the taxpayer approximately \$4.2 million per year.

Maintaining separate inventories coupled with the customer option to select a one- or two-year registration period creates the potential for customers receiving incorrect registration stickers when they renew their vehicle registration. Customers would be negatively impacted for not having matching information on either the registration card or the license plate of the vehicle. Subsequently, both customers and the Department will be forced to complete transactions with outdated paper methods, further alienating the relationship between the business and consumer because we are not meeting the demands of a mobile-driven citizenry and proactively trimming

costs. This is compounded by the multiple delivery systems, such as online messengers and dealers. Issuing two years' worth of stickers to our business partners creates an additional burden on PennDOT for mailing of the products as well as inventory control. For agents processing the transactions, it adds complexity to their current process and inventory control issues for them as well.

Equally important, the Department commissioned a study with Penn State University in 2011 to evaluate the impact of eliminating the sticker. According to the study, "...there is no statistical evidence that the elimination of stickers has any statistically significant impact on the number of vehicle registrations, the ability of police to make drug arrests, or on the number of motor vehicle thefts. This, combined with the reported cost savings due to sticker elimination, implies that the elimination of stickers passes the cost-benefit test for the Commonwealth of Pennsylvania". The study also mentioned, "When asked why they changed, the District of Columbia, New York, and Texas reported sticker theft, Connecticut and Quebec changed for budgetary reasons, with Quebec adding that the program reduced fraud, and New Jersey reported that 'law enforcement no longer needed to rely on them.'"

Moreover, law enforcement has real time access to PennDOT's database through their laptops in their vehicles, and many law enforcement agencies have added license plate reader technology (LPR) to the inventory of enforcement tools. Recently, a Mobile Web Application through JNET was added to law enforcements with real time access to information. PennDOT uploads daily to JNET information concerning expired and suspended registrations. It is available to local police departments across the state to upload the information to their LPR.

In conclusion, Act 89 of 2013 requires the Department to offer an optional biennial registration. This biennial registration is intricately tied to the elimination of the registration sticker. Today, if a customer renews online, they print a temporary registration and PennDOT must mail them a registration sticker. In 2014, nearly 4 million customers renewed their vehicle registrations online and this number continues to grow.

Moving toward a more virtual/digital business model will allow PennDOT to continue down the path of creating a paperless customer experience. Future enhancements could provide customers with more convenient options, such as downloading their registrations to their smart phone devices. Repealing the language to eliminate the registration sticker eliminates savings, burdens Commonwealth residents by reducing customer convenience, cancels operational efficiencies, and agitates a technologically savvy customer base. In short, the Department will not be effectively meeting the expectations of Commonwealth residents instead of embracing the future and modernizing business operations. We are at a crossroad as to whether we embrace the future or are destined to live in the past.

Thank you for the opportunity to provide this testimony; I would be happy to answer any questions.